GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3330
ANSWERED ON:05.08.2016
Subsidy
Kumar Shri Ashwini

Will the Minister of FINANCE be pleased to state:

(a) the item-wise amount of funds spent on subsidy during the last three years and the current year;
(b) the items of expenditure covered under subsidy to be released during the said period of time;
(c) whether any steps have been taken to streamline the subsidy, control the expenditure on all the subsidies and reduce the fiscal deficit; and
(d) if so, the details thereof ?

Answer

(a) to (b). Item-wise subsidy expenditure is detailed below:

(In crores of Rupees)

	Actuals 2013-14	Actuals 2014-15	Revised 2015-16	Budget 2016-17
Major Subsidies	244717	249016	241857	231782
Fertilizer	67339	71076	72438	70000
Food	92000	117671	139419	134835
Petroleum	85378	60269	30000	26947
Interest	8137	7632	13808	15523
Other	1778	1610	2136	3128
Total - Subsidies	254632	258258	257801	250433

(c) & (D) The government is committed to progressively pursuing subsidy reforms in a manner that will ensure efficient and better targeting of subsidies to the poor and needy, while also saving scarce financial resources for investment in infrastructure and pursuit of new development programs announced by the government. Some of the major steps taken are given below:

i. The steps taken by the Government to deregulate petrol and diesel prices, and to boost direct benefit transfer of subsidy for domestic LPG, along with decline in global crude oil prices, have helped in containing the petroleum subsidy bill.

ii. The significantly positive response to the call to give up LPG subsidy under the "give-it-up" campaign has created some fiscal space and facilitated provision of LPG connections to the poor.

iii. The rationalization and reprioritization of subsidies through better targeting plays a vital role in fiscal consolidation and in targeting expenditure more towards inclusive development.

iv. The Government has also launched a dedicated scheme for end-to-end computerization of Public Distribution System throughout the country. 15 States have already joined the National Food Security Act (NFSA) framework. The Government has launched a drive to ensure universal coverage of Aadhaar throughout the country. End-to-end computerization, combined with Aadhaar coverage to improve the targeting efficiency of PDS system in the country.

v. 100% neem coating of indigenous production of subsidized urea has been made compulsory from 25.05.2015 to help prevent its diversion for industrial use.

vi. Cash transfer of Food Subsidy Rules, 2015 which was notified on 21.8.2015 under the National Food Security Act, 2013 is currently being implemented on a pilot basis in Union Territories of Chandigarh and Puducherry w.e.f. September, 2015.